

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS (HOUSTON)

IN RE: . Case No. 23-90147
MOUNTAIN EXPRESS OIL COMPANY, . Chapter 11
et al., . 515 Rusk Street
Debtor. . Houston, TX 77002
Tuesday, March 21, 2023
6:02 p.m.

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TRANSCRIPT OF DEBTORS' EMERGENCY MOTION FOR ENTRY OF INTERIM
AND FINAL ORDERS (A) AUTHORIZING THE USE OF CASH COLLATERAL,
(B) PROVIDING ADEQUATE PROTECTION, (C) MODIFYING THE AUTOMATIC
STAY, AND (D) SCHEDULING A FINAL HEARING [7]
BEFORE THE HONORABLE DAVID R. JONES
UNITED STATES BANKRUPTCY COURT JUDGE

TELEPHONIC APPEARANCES:

For the Debtor:

Pachulski Stang Ziehl & Jones LLP
By: MICHAEL WARNER, ESQ.
BENJAMIN WALLEN, ESQ.
440 Louisiana Street, Suite 900
Houston, TX 77002
(713) 691-9385

Pachulski Stang Ziehl & Jones LLP
By: STEVEN GOLDEN, ESQ.
780 Third Avenue, 34th Floor
New York, NY 10017-2024
(212) 561-7700

TELEPHONIC APPEARANCES CONTINUED.

Audio Operator: Courtroom ECRO Personnel

Transcription Company: Access Transcripts, LLC
10110 Youngwood Lane
Fishers, IN 46048
(855) 873-2223
www.accesstranscripts.com

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TELEPHONIC APPEARANCES (Continued):

For the Debtor:

Pachulski Stang Ziehl & Jones LLP
By: JEFFREY DULBERG, ESQ.
JEFFREY POMERANTZ, ESQ.
10100 Santa Monica Boulevard
13th Floor
Los Angeles, CA 90067-4003
(310) 277-6910

Pachulski Stang Ziehl & Jones LLP
By: HENRY KEVANE, ESQ.
MAXIM LITVAK, ESQ.
One Sansome Street, Suite 3430
San Francisco, CA 94104
(415) 263-7000

For First Horizon
Bank, as
Administrative Agent:

Greenberg Traurig, LLP
By: JOHN D. ELROD, ESQ.
Terminus 200
3333 Piedmont Road Northeast
Suite 2500
Atlanta, GA 30305
(678) 553-2100

Greenberg Traurig, LLP
By: SHARI L. HEYEN, ESQ.
1000 Louisiana Street, Suite 6700
Houston, TX 77002
(713) 374-3500

For Valero Marketing &
Supply:

Dykema Gossett
By: DEBORAH WILLIAMSON, ESQ.
112 East Pecan Street, Suite 1800
San Antonio, TX 78205
(210) 554-5500

For Bank of Hope:

Buchalter
By: WILLIAM BRODY, ESQ.
1000 Wilshire Boulevard, Suite 1500
Los Angeles, CA 90017-1730
(213) 891-5015

For the United States
Trustee:

Office of the United States Trustee
By: JAYSON RUFF, ESQ.
515 Rusk Street, Suite 3516
Houston, TX 77002
(713) 718-4640



TELEPHONIC APPEARANCES (Continued):

Also Present:

ALEX TALLEY
Cross Oil Refining and Marketing,
Inc.

MICHAEL FOLEY
Cross Oil Refining and Marketing,
Inc.

TURJO WADUD
Mountain Express Oil Company

DUSTIN MARTIN
Mountain Express Oil Company

MICHAEL HEALY
FTI Consulting

GEOFFREY RICHARDS
Raymond James



1 (Proceedings commence at 6:02 p.m.)

2 THE COURT: Good evening, everyone. The time is
3 6:02. Today is March the 21st, 2023. This is the docket for
4 Houston, Texas.

5 On what was, I think, originally the 4:30 docket,
6 with an agreed delay and then further delay that wasn't agreed
7 to, we have the jointly-administered cases under Case Number
8 23-90147, Mountain Express Oil Company. And, folks, again, I
9 understand that your time is extremely valuable. I do
10 apologize to all of you for your having to wait.

11 Please make sure that you record your electronic
12 appearance this evening. That's a quick trick to my website,
13 couple mouse clicks. You can do that at any time prior to the
14 conclusion of the hearing.

15 First time that you do speak, if you would please
16 state your name and who you represent. That really does help
17 the court reporter in the event that a transcript request is
18 made.

19 We are recording this afternoon using CourtSpeak.
20 We'll have the audio up on the docket -- probably be tomorrow
21 morning, realistically because Mr. Alonzo will start to
22 complain that I'm making him work too hard. So I'll probably
23 let him do that in the morning.

24 Give me, folks, just a moment. I had activated --
25 there was an awful lot of noise early, so I just muted all the



1 lines. Let me get back in. If you know you're going to be
2 speaking, if you'd go ahead and give me a "five star." You may
3 already have, I just hadn't seen it yet, but I will in just a
4 moment. All right. Thank you. Obviously, you can always
5 change your mind.

6 Mr. Pomerantz, am I starting with you?

7 MR. POMERANTZ: Yes, you are, Your Honor, and I
8 appreciate Your Honor's willingness to set this for a status
9 conference. And, of course, there is no apology necessary, and
10 appreciate you staying late today.

11 In the courtroom -- virtual courtroom with me today
12 are Mr. Wadud, who's the debtors' co-CEO and co-founder,
13 Mr. Martin, who is the debtors' chief operating officer,
14 Michael Healy, who's the debtors' proposed chief restructuring
15 officer, and also Mr. Richards, who is the debtors' proposed
16 investment banking officer -- that's a banker, as well as
17 members of my team.

18 Your Honor, we have used the time wisely over the
19 last 24 hour, and as it is usually, in the 45 minutes prior to
20 the originally scheduled hearing, we made the most substantial
21 progress. It just shows the absence of being on the physical
22 courthouse steps does not change your ability to settle on the
23 virtual courthouse steps.

24 So while we are not totally there, I am pleased to
25 report, Your Honor, that we have been working with the bank



1 group on a proposed four-month debtor-in-possession facility,
2 which Mr. Healy is comfortable will provide the company with
3 sufficient liquidity to run a process to maximize value for the
4 debtors' assets, as well as provide for the administrative
5 costs to the estate. We're not there yet, and there are still
6 details to work out, but Mr. Elrod and I and our respective
7 teams intend to use the rest of this evening and tomorrow to do
8 that.

9 It is the hope, but hope springs eternal, that we
10 would be able to file a DIP motion tomorrow and an order. It
11 is also possible that that could lag. So one of the things
12 that I'm going to ask of the Court, if it has time and
13 availability, is sometime on Thursday. We do have a previously
14 scheduled hearing, at least we scheduled it initially for the
15 first-day, before we needed to come to Your Honor yesterday.

16 THE COURT: Right.

17 MR. POMERANTZ: I believe it's 3:30 Central. I'm not
18 sure if that's still available, but we would propose to use
19 that for our traditional first-day hearing. I'm pleased to
20 report that today we filed our full suite of first-day motions,
21 as well as the declaration of Michael Healy, and we think it
22 would be extremely helpful to not only the Court, but also
23 sending the message to the marketplace that we have the first-
24 day hearing tomorrow. Included in those motions was a motion
25 to pay critical vendors, which is predominantly fuel suppliers.



1 As Your Honor may imagine, over the last couple days since we
2 filed, we have been on the phone with virtually all of our fuel
3 suppliers, who are extremely concerned with our ability to have
4 liquidity, and while yesterday's order was helpful in getting
5 the spigot turned on, everybody is waiting for that motion to
6 be heard, as well as another significant constituency in our
7 case, which is our dealers. We filed a motion to make clear
8 that we intend to continue operating in the ordinary course
9 with respect to certain reconciliations of money that we have
10 that they have a claim to.

11 So while I know it's taking up a lot of Your Court's
12 -- Your Honor's time and while I know you like to see all our
13 faces in the video, we would ask if you could keep tomorrow's
14 hearing and then also if you could give us time for Thursday.
15 We had been working on a priming DIP facility and have made
16 progress, but in light of the progress we have made, we are
17 hopeful to avoid that, although as fiduciaries, we will
18 continue to have to go on full track until we're able to get
19 the DIP financing. But I think this is a good day for the
20 case, and I'm happy to answer any questions Your Honor may
21 have.

22 THE COURT: So let me -- so your youngster,
23 Mr. Wallen, is way out in front of you. He's already confirmed
24 tomorrow. I am sure that you will get your motion assignments
25 by email later this evening as to which ones you will be



1 responsible for handling, but he'd already taken care of all of
2 that with Mr. Alonzo. I actually -- over lunch, I've read
3 through everything. All nicely done, by the way, just very
4 succinct and to the point. I always appreciate that.

5 You have 3:30. What I'm going to do is I'm going to
6 make sure that we don't schedule anything after. So you've got
7 from 3:30, rest of the day. If you can get the DIP done and
8 get it on file, go ahead and set it for 3:30 tomorrow.

9 In terms of Thursday -- Albert, can I do -- can we
10 set that in to two o'clock? All right. Mr. Pomerantz, we'll
11 reserve -- I'm going to say I'll reserve you an hour, and --
12 maybe longer, but I'll reserve you at least an hour on Thursday
13 at two o'clock Central. If you get all of this done and you
14 and Mr. Elrod have signed off on everything and we're going to
15 hear it tomorrow, if you will let Mr. Alonzo know because I've
16 got a ton of people asking for time. But if you do need it,
17 it's your time.

18 MR. POMERANTZ: I appreciate that, Your Honor. We
19 will do our best, and we will, of course, maintain in close
20 contact with the Court. And it's good to have Mr. Wallen on my
21 team because he is the one who helps make the train run, but
22 also I've told him that in this case, he will have a
23 substantive role, so don't be surprised to see him possessing
24 some of the motions tomorrow.



1 THE COURT: Well, I'm going to see -- I'm going to be
2 curious to see which one he assigns to you.

3 MR. POMERANTZ: He's in charge, Your Honor.

4 THE COURT: Fair enough.

5 All right. Mr. Elrod, no need to make any statement
6 unless you just want you. You certainly have the option. I'm
7 just going to assume that you guys are making progress and I'll
8 either see something tonight or first thing in the morning, and
9 we'll either have -- we'll have an interim either tomorrow or
10 Thursday. If that a safe assumption?

11 MR. ELROD: Yes, Your Honor. Thank you. That's --
12 Mr. Pomerantz's presentations summed up the status nicely. It
13 is subject to final lender approval.

14 THE COURT: Of course.

15 MR. ELROD: We're going to work hard to get the
16 documents done as quickly as possible. But nonetheless, there
17 is work to be done.

18 THE COURT: All right. Is there anything that -- I
19 know -- I need for a little more time to pass. I want the
20 professionals working, so, Mr. Healy, I want to make sure
21 you're comfortable, you've got everything you need, and you're
22 off and running.

23 MR. HEALY: (Audio interference) Your Honor.

24 THE COURT: Yeah, I think you're there. And he now
25 knows how to "five star."



1 MR. HEALY: (Indiscernible), Your Honor.

2 THE COURT: Yes. Mr. Healy, I can hear you. I just
3 want to make sure you've got everything you need and you're
4 moving forward.

5 MR. HEALY: Yeah, Mr. Elrod and Mr. Pomerantz are
6 doing a great job guiding us here, and I think we've made
7 tremendous progress, as Mr. Pomerantz said, on the virtual
8 court steps.

9 THE COURT: All right. Terrific. Well, if --
10 obviously, if things change, I want to know about it, and --
11 but otherwise, I'm going to assume that you have the helm and
12 she's headed in the right direction.

13 MR. HEALY: (Indiscernible).

14 UNIDENTIFIED: Thank you very much, Your Honor, for
15 the GPS.

16 THE COURT: Fair enough. All right. Anything else
17 that we need to talk about tonight? Again, my apologies for --

18 MR. POMERANTZ: Not from the debtors, Your Honor.

19 THE COURT: -- my apologies again for keeping you so
20 long. I'll see everybody 3:30 Central time tomorrow.

21 MR. POMERANTZ: Thank you.

22 THE COURT: All right, thank you. Good night,
23 everybody.

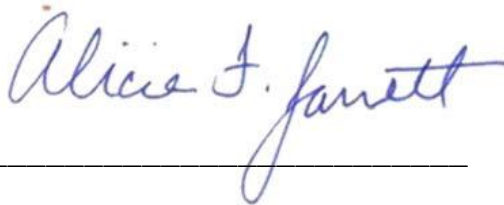
24 MR. ELROD: Thank you, Your Honor.

25 (Proceedings concluded at 6:11 p.m.)



C E R T I F I C A T I O N

I, Alicia Jarrett, court-approved transcriber, hereby
certify that the foregoing is a correct transcript from the
official electronic sound recording of the proceedings in the
above-entitled matter.



ALICIA JARRETT, AAERT NO. 428

DATE: March 24, 2023

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